

The regular monthly meeting of the Gallatin Airport Authority was held February 8, 2024, at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Karen Stelmak, Carl Lehrkind, and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, and Troy Watling, Assistant Director - Finance.

Mr. Mathis, Board Chairman, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board and called the meeting to order.

1. Review and approve minutes of regular meeting held January 11, 2024

Mr. Mathis asked if everyone had received their copy of the minutes and if they had any corrections or additions. There were none.

MOTION: Mr. Lehrkind moved approval of the minutes of the regular meeting held January 11, 2024. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

There were no public comments.

3. Consider request by George J Mandes to enter into a new 10-year non-commercial land lease on hangar 128

Mr. Sprenger said the hangar is in good condition and the rent is current. Staff recommends approval of the new lease.

MOTION: Ms. Stelmak moved to approve the request by George J Mandes to enter into a new 10-year non-commercial land lease on hangar 128. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

4. Consider request by Brask T-4 Ranch, LLC to enter into a new 10-year commercial land lease on hangar 116

Mr. Sprenger said the hangar is in good condition and the rent is current. DJ Brask was present to answer questions.

Mr. Brask confirmed he has a 185 and a helicopter. Mr. Mathis said he had seen building materials being unloaded. Mr. Brask said that was while they were building. They took delivery of some building materials but that has all been installed and is not being stored.

MOTION: Mr. Kelleher moved to approve the request by Brask T-4 Ranch, LLC to enter into a new 10-year commercial land lease on hangar 116. Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

5. 2024 Project Presentation

Mr. Sprenger began the presentation with a review of some of last year's projects including: terminal in-line baggage system, the BZN Market, replacement of the ticket lobby carpet, rental car lot, paid parking lot improvements, terminal curb improvements, acquired an ARFF truck and a street sweeper. On the airfield infrastructure, we rehabilitated the General Aviation ramp, rehabilitated the East ramp, we expanded the East ramp, built Taxiway G and finished up the northside infrastructure. Board members commented on what an amazing amount of projects were completed last year.

Mr. Sprenger moved on to the projects to be completed on the northside such as Ridgeline and Summit. One of our big projects this year will be Taxiway B which will tie into Runway 3/21. Mr. Sprenger clarified that some of the graphics were for the ultimate plan and some are just this year. Some coordination will have to be done for the taxiway extension,

such as night runway closures. The extension project will be tied in with doing the fiber optic infrastructure for the Runway Visual Range (RVR) equipment including the eventual Medium Intensity Approach Light System with Runway Alignment Indicator Lights (MALSR) and the Very High Frequency Omni-Directional Range (VOR) relocation. That will be the right time to coordinate those efforts with the FAA. Taxiway F and relocation of the service road will be completed this year by Knife River which was bid last year. After that, there isn't much more for us to do from an infrastructure standpoint on the southside. Mr. Sprenger pointed out more locations on the map. Two Yellowstone Club hangars will be going in. The Yellowstone Jet Center (YJC) facility will start later this year. Later this year, the old FBO building will go away, and Jet Aviation will build a hangar in that area. The demolition is contingent on Summit getting to the Northside. Summit is saying April which seems optimistic. We will have an expansion of the fire station and snow removal equipment area. We will continue working on the terminal expansion. Signature and YJC are coming along on their Ground Support Equipment (GSE) building and fuel farm. Million Air is still working on plans for their location.

Our first part of the terminal project is the enabling phase. Mr. Sprenger presented some images of the planned changes. Demolition, site and structural work will be boxed off so it will not impact operations. The second stairway will be demolished first to create the replacement baggage carousel. It will be more linear to utilize the space. We will be adding a baggage drop point. We will be utilizing some of the temporary system to reduce costs. There will be times of congestion, but we generally see the need for a 3rd baggage claim for very short periods of time. United's baggage service counter will be relocated. The info counter

will move. Baggage claim advertising signs will be along the back wall. This part of the project should take about 3 to 5 months.

Plans for the second level are still being refined. The 1993 portion and the 2011 sections are at different levels. With the overhead baggage system, we had to build higher. Part of the enabling project is to begin the process of connecting the parking garage and the security checkpoint on the 2nd level and having all 2nd level sections essentially on the same level.

Mr. Sprenger reviewed the snow barn project, additional areas for Aircraft Rescue and Firefighting and Snow Removal Equipment as well as an area for expansion of the operations and maintenance departments. These areas will be designed for quick response equipment close to the field. We will also have room for chemical application equipment. We will receive 2 more brooms and a large blower this year. We will be tight on space until this area is complete.

We will open bids for the fire station and Aircraft Rescue and Fire Fighting (ARFF) at the March meeting. We will also have a guaranteed maximum price (GMP) for the enabling portion of the terminal expansion at the March meeting as well. Assuming expectations are met, we should see a start at the end of March or early April. A bid for Taxiway Bravo should open at the April board meeting.

Mr. Sprenger confirmed there will be a designated area for aircraft removal equipment. We want to make it more accessible, and the extra bay will provide that capability.

6. Report on passenger boardings and flight operations – Scott Humphrey

Mr. Humphrey said there were 9,565 total tower operations for January which is up 1.5% over January 2023. Rolling 12-month operations were 129,914 operations which is another record. Corporate landings over 9,000 lbs. were 1,023 versus 1,110. Corporate landings over 12,500 lbs. were 965 versus 921. There were 23 custom clearances this January versus 33 last January. Total revenue enplanements are estimated at 92,478 passengers which is up .8%. That brings the total past 12-month enplanements to 1,232,694. Total deplaned passengers were 91,761, which is up 1.3%. Airline landings are estimated at 944 versus 860 so 9.8% better. December's load factor was down 3.2% with extra seats in the market. Fuel dispensed in December up 17.8%.

We have 4% more seats for February. The load factor is starting to slow. We should equal last year's numbers.

7. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that we are a little surprised at passenger and corporate jet traffic despite the lack of snow. Had the snow been here, we would have seen better results. In reference to the load factor for last month, Mr. Sprenger mentioned the challenges in the Los Angeles (LA) market. We had a 164% increase in seats to the LA area for January, so the lower load factors were seen in that market. American Airline's load factor usually stays high but they had a 64% increase in seats so they put in more seats than the market could handle. American doubled the seats to Dallas and added a new flight to LA. The market, in some areas, was more saturated than it should have. Delta and United had a good load factor and Southwest came up some. Alaska's load factor was down but also had a significant increase in seats. It was a dynamic month in which we had less snow than ideal.

Overnight cars in January 2024 were 106% of January 2023. This is an indication that people who are starting their trips here were offsetting the lower number of inbound passengers. Concession revenue was 109% of January 2023. Doug says the new BZN Marketplace has helped. Doug reported that their revenue is slightly down, not including the Marketplace. They cannot quantify how many customers are being taken from the restaurants to the Marketplace. Copper Horse is down slightly and so are some of the grab-and-go sections. Mr. Sprenger said we took about 60% of the main gift shop for the new security queuing area. We are in the process of replacing that across from B2. The Marketplace is offsetting some of the decrease in retail space. Month to date for February overnight cars are 105% of last February and concession revenue is 108% of last February. We are seeing that growth continue.

There is information in the packet about Nelson Story III. Sharbert Enterprises is looking at differentiating their store brands in the terminal. Their concept is to look for an early pioneer in the valley. Ted Mathis consulted and suggested considering Nelson Story III. Their concept is a brand named NS Provisions. This is being presented now for review and formal consideration next month.

The March board meeting has been changed to Thursday, March 7.

The pattern altitude change will be in March.

Checkpoint expansion – we are in the process of opening the first part. The wall is down and the carpet is in. The second phase is widening the area from the escalator. The additional queuing area where the old gift shop was will be ready to be used this weekend.

For the second year in a row, the Montana Aviation Conference kick off speaker is a member of our Board.

Ms. Stelmak asked how the cold snap in January affected things at the airport. Mr. Sprenger said each airline responded differently. Going into the cold snap Southwest immediately cancelled the next day's flights. Other airlines postponed flights until later in the day. As the cold weather continued, Southwest started operating midday flights. Delta brought in evening flights the next day. Other airlines, like Alaska, adjusted their de-icing. Each airline was adapting. It helped that this happened during a non-peak period. There was no impact to the airport from the cold temperatures. We tried to remind the press that when doors are opened, to the airport, they are exposed to the weather. The ground support equipment is like our own vehicles and can be affected by the cold weather. The biggest impact is to the people working out there in the elements. Nothing goes easy at 45 degrees below zero. Overall, it was better than last year.

8. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

MOTION: Mr. Lehrkind moved to approve the bills for payment. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

9. Adjourn

The meeting was adjourned at 2:47 p.m.



Ted Mathis, Board Chairman